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ARIZONA CORPORATION COMMISSION RECEIVED

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2001 MAY 30 A 9:17

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. S-03439A-00-0000

TOWER EQUITIES, INC.
8141 N. Main Street
Dayton, Ohio 45415-1747
CRD #16195

Arizona Corporation Commission

DOCKETED

MAY 30 2001

PHILIP A. LEHMAN
Tower Equities, Inc.
8141 N. Main Street
Dayton, Ohio 45415-1747
CRD # 1345038,

DOCKETED BY

✓

Respondents.

PROCEDURAL ORDER**BY THE COMMISSION:**

On December 27, 2000, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Tower Equities, Inc. ("Tower") and Mr. Philip A. Lehman, (collectively the "Respondents") in which the Division alleged that the Securities and Exchange Commission ("SEC") had found the Respondents had committed multiple violations of the Securities Act of 1933, the Securities Exchange Act of 1934 and the Investment Adviser Act of 1940 in connection with the offer and sale of securities. As a result of the SEC's action, the Division alleges that Tower's and Lehman's registration as a securities dealer and salesman, respectively, should be revoked.

The Respondents were duly served with copies of the Notice.

On January 18, 2001, Respondents Tower and Lehman filed a request for hearing.

On January 23, 2001, by Procedural Order, a pre-hearing conference was scheduled and held on February 8, 2001 and during that proceeding the parties stipulated to a hearing on April 10, 2001.

On April 3, 2001, the parties requested a continuance of the proceeding for at least 45 days to further narrow the issues and to complete the production of documents.

On April 4, 2001, the hearing on the above-captioned proceeding was continued from April

1 10, 2001 to May 30, 2001.

2 On May 18, 2001, the Respondents filed a Motion to Extension Time ("Motion") stating that
3 counsel for the Respondents did not receive the Commission's April 4, 2001, Procedural Order
4 continuing the proceeding to May 30, 2001. Counsel remained unaware until May 15, 2001, that the
5 hearing had been rescheduled and stated that she needed additional time to prepare for the hearing.

6 On May 21, 2001, the Division filed a response to the Motion of the Respondents arguing that
7 they had failed to show good cause for any further delays. Subsequently, a teleconference was
8 arranged to take place between the presiding Administrative Law Judge and counsel for the Division
9 and the Respondents.

10 On May 25, 2001, a teleconference was held with counsel for the Respondents and the
11 Division wherein the parties agreed to the following: that the hearing scheduled for May 30, 2001, be
12 continued until June 13, 2001 as a telephonic hearing; that counsel for the Respondents would file her
13 application for admission Pro Hac Vice for purposes of representing the Respondents in the
14 proceeding; that on or before May 30, 2001, the parties would file a Joint Pre-Hearing Statement
15 ("Statement") which would contain stipulations of fact and the parties' request for findings of fact,
16 the identification of issues of law and policy and a summary of their respective positions on those
17 issues; that on or before June 6, 2001, all exhibits and witness lists (if any) would be exchanged by
18 the parties with copies provided to the Administrative Law Judge; and that the hearing scheduled for
19 June 13, 2001 would be conducted telephonically with counsel for the parties arguing their respective
20 positions on the primary issues involved in the proceeding.

21 Accordingly, the hearing should be continued and conducted as discussed hereinabove.

22 IT IS THEREFORE ORDERED that the hearing in the above-captioned proceeding shall be
23 continued from May 30, 2001 to June 13, 2001 at 9:30 a.m. Arizona time, at the Commission's
24 offices, 1200 West Washington Street, Phoenix, Arizona.

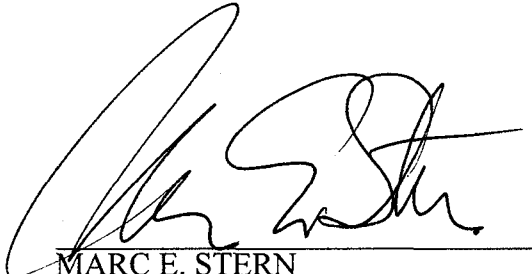
25 IT IS FURTHER ORDERED that the Division and the Respondent file the Statement
26 described hereinabove by May 30, 2001.

27 IT IS FURTHER ORDERED that all hearing exhibits and witness lists (if any) be exchanged
28 by the parties on or before June 6, 2001, with copies provided to the presiding Administrative Law

1 Judge.

2 IT IS FURTHER ORDERED that pursuant to the agreement of the parties, the hearing will be
3 conducted telephonically with counsel for the Division present at the hearing room and counsel for
4 the Respondents appearing telephonically.

5 DATED this 30th day of May, 2001.

6
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8 
9 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

10 Copies of the foregoing sent via
11 Facsimile and mailed via
12 Certified Mail, Return Receipt Requested
this 30th day of May, 2001 to:


13 Barbara A. Mallon
14 MALLON & JOHNSON, P.C.
15 19 S. LaSalle Street, Suite 1202
16 Chicago, Illinois 60603
17 Attorney for Respondents
18 312-346-8896

19 Copies of the foregoing mailed/delivered
20 this 30th day of May, 2001 to:

21 Robert A. Zumoff
22 Assistant Attorney General
23 ARIZONA ATTORNEY GENERAL'S OFFICE
24 1275 West Washington Street
25 Phoenix, Arizona 85007

26 W. Mark Sendrow, Director
27 Securities Division
28 ARIZONA CORPORATION COMMISSION
1300 West Washington Street
Phoenix, Arizona 85007

ARIZONA REPORTING SERVICE, INC.
2627 N. Third Street, Suite Three
Phoenix, Arizona 85004-1104

26 By: 
27 Molly Johnson
28 Secretary to Marc E. Stern